

DFAS Reform Initiatives



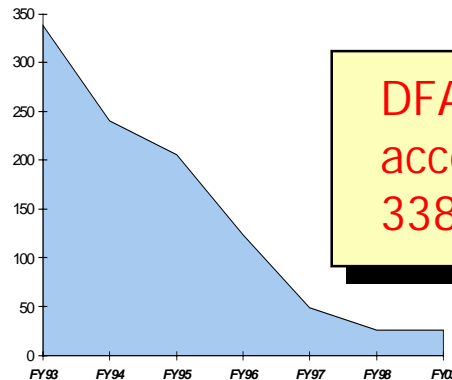
Defense Finance and Accounting Service

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DFAS Accomplishments

Consolidation
of Operations



DFAS closed 312 finance and accounting offices worldwide
338 sites to 26

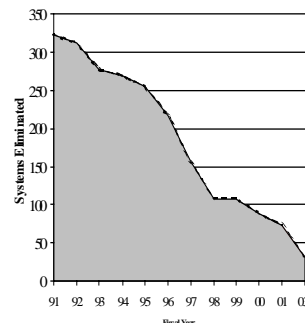
Resource
Reductions



Manpower will fall from
27K in 1993 to 17.5K in 2003
(35% reduction)

1993: 27,000 employees 1998: 20,000 2000: 18,775 2003: 17,500

Systems
Standardization



DFAS reduced the number of
finance and accounting systems
from the 1991 baseline of 324
to 98

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DFAS Accomplishments

- Met 33 of 37 FY99 Performance Contract deliverables
- Produced first operational versions of corporate database and warehouse
- “Best IT Practices in Federal Government” CIO Council Award

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Customer-Focused Organization

- Improving communications
 - Columbus, Indianapolis Centers realigned
 - DFAS Board of Advisors
 - SOCOM/AMC
- Expanding Competitive Sourcing Program
- Refining Systems Strategy
- Deploying Electronic Commerce
- Expanding billing incentives

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Center Realignment

- Army Customers
 - DFAS Center for Operating Forces
 - DFAS Center for Sustaining Forces
 - DFAS Support Activity -- Indianapolis

- Defense Agency
 - DFAS Center for Contract Payments
 - DFAS Center for Accounting and Finance Services
 - DFAS Support Activity -- Columbus

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DFAS Board of Advisors

■ Intent

- Increased customer voice in DFAS direction
- Review of programs and budget

■ Membership

- Service FMs
- 3/4 star officers
- Private sector representatives

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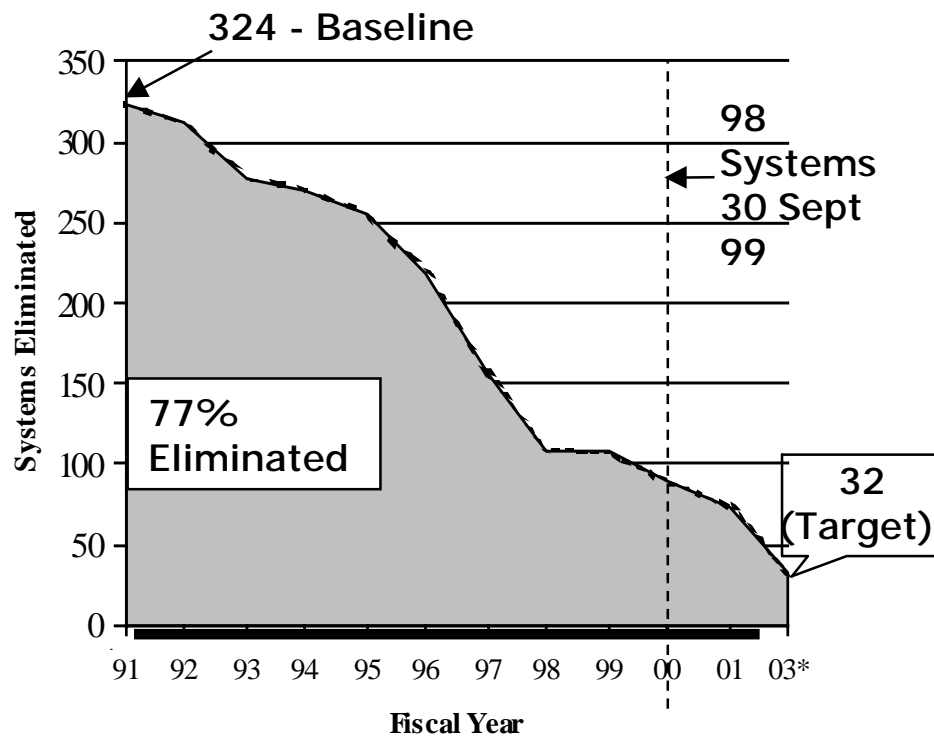
Competitive Sourcing Program

- Ultimate goal: Better Service, Lower Cost
- Changed process to encourage competition
- Drawing on world-class firms to identify “Best Practices”
- Will meet DoD A-76 targets
- Status of Retiree and Annuitant Pay and Civilian Pay studies

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Systems Migration Initiatives



- Improving quality of financial management information
- Developing corporate systems
 - Disbursing
 - Contract/vendor pay
 - Cash accountability
 - Departmental reporting
- Integrating DCD systems architecture
- Making migration systems CFO compliant

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Feeder System Integration



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Next Steps

- Hit performance contract targets
- Cut costs to our customers
- Become more customer-focused
- Deploy the DCII
- Partner with our customers

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DFAS



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